

Conservative Support for a Carbon Fee

Republican Former Cabinet-Level Officials

- “A market-based approach, like a carbon tax, would be the best path to reducing greenhouse-gas emissions... Rather than argue against [President Obama’s] proposals, our leaders in Congress should endorse them and start the overdue debate about what bigger steps are needed and how to achieve them.”— *William D. Ruckelshaus, EPA Administrator under Presidents Nixon and Reagan; Lee M. Thomas, EPA Administrator under President Reagan; William K. Reilly, EPA Administrator under President George H. W. Bush; and Christine Todd Whitman, EPA Administrator under President George W. Bush, New York Times Op-ed, 8/1/2013*
- “How can you possibly create a level playing field? By taking a step that makes all forms of energy bear not only their immediate costs of energy, but also the costs of the pollution they emit... So my proposal is to have a revenue-neutral carbon tax.”— *George P. Schultz, Secretary of Labor under President Nixon, Treasury Secretary under Presidents Nixon and Ford, and Secretary of State under President Reagan, 3/8/2014*
- “A tax on carbon emissions will unleash a wave of innovation to develop technologies, lower the costs of clean energy and create jobs as we and other nations develop new energy products and infrastructure.”— *Henry M. Paulson, Treasury Secretary under President George W. Bush, New York Times Op-ed, 6/21/2014*

Other Republican Former Officials

- “If carbon dioxide emissions are to be reduced further in the U.S., [a carbon] tax will achieve the goal with less economic waste than new bureaucratic hurdles.” — *Martin Feldstein, Chairman of President Reagan’s Council of Economic Advisors, Wall Street Journal Op-ed, 5/04/1992*
- Using a carbon tax to fund a payroll tax cut “would be very good for the economy and as an adjunct, it would reduce also carbon emissions into the environment.” — *Arthur B. Laffer, economic advisor to President Reagan, 12/19/2011*
- “Policy wonks like me have long argued that the best way to curb carbon emissions is to put a price on carbon. The cap-and-trade system President Obama advocates is one way to do that. A more direct and less bureaucratic way is to tax carbon. When polled, economists overwhelmingly support the idea.” — *N. Gregory Mankiw, Chair of the Council of Economic Advisors for President George W. Bush, 2003-2005, 9/4/2015*
- “There’s no question that if we get substantial changes in atmospheric temperatures, as all the evidence suggests, that it’s going to contribute to sea-level rise. There will be agriculture and economic effects — it’s inescapable. . . I’d be shocked if people supported anything other than a carbon tax — that’s how economists think about it.” — *Douglas Holtz-Eakin,*

Chief Economist of the President's Council of Economic Advisers under President George W. Bush and CBO Director from 2003 to 2005, New York Times, 1/23/2014

Current and Former Republican Members of Congress

- “I wish we would just talk about a carbon tax, 100 percent of which would be returned to the American people.” – *Senator Bob Corker (R-TN), 1/29/2009*
- “If there’s one economic axiom, it’s that if you want less of something, you tax it. Clearly, it’s in our interest to move away from carbon.” – *Senator Jeff Flake (R-AZ), 5/13/2009*
- “I am no scientist, but I’ve traveled throughout the world with Senator McCain and others, and seen the effects of a warming planet. . . . I’ve been told by a lot of business leaders in South Carolina, ‘Senator Graham, once you price carbon in a reasonable way, this green economy that we’re hoping for really will begin to flourish.’” – *Senator Lindsey Graham (R-SC), 11/4/2009*
- “Level the playing field. The big challenge is reaching fellow conservatives and convincing them that the biggest subsidy of all may be to belch and burn into the trash dump in the sky—for free. That lack of accountability may be the biggest subsidy of them all.” – *Former Congressman Bob Inglis (R-SC), 8/29/2014*
- Republican Rep. Kevin Cramer has turned heads in floating the idea of replacing EPA greenhouse gas regulations with a carbon tax. “It seems like a funny thing for me to propose,” Cramer acknowledge to Morning Energy. But it’s preferable to EPA’s rules setting carbon limits for existing power plants, he said. And the revenue from “a modest carbon tax on all emitters” could finance research and development that helps the coal industry and other emitters modernize and stay relevant while also reducing emissions, he said. Cramer isn’t the first Republican to propose a carbon tax — former Rep. Bob Inglis arguably lost his seat over the issue — but Cramer hopes it could get traction. The North Dakota congressman would prefer not to introduce legislation himself, but he hopes he can work on the idea with coal state legislators in both parties. Cramer said the idea, which he first publicly floated at an energy event hosted by National Journal Tuesday, is “the type of thing that could catch on and get some momentum if people are serious.” – *Congressman Kevin Cramer (R-ND), 12/10/2015*

Conservative Thought Leaders and Media Outlets

- “A GHG emissions tax would reduce emissions by changing the relative prices of fuels and other goods and services according to their emissions intensity. Such a tax would also produce revenue, raising the option of including the measure in a broader package of fiscal reforms.” – *Adele Morris (Brookings) and Aparna Mathur (American Enterprise Institute), A Carbon Tax in Broader U.S. Fiscal Reform, 5/2014*

- [Why a carbon tax?] “First, it is a less expensive, more efficient and more effective policy than the status quo. . . . Second, greenhouse gas emissions impose risk. . . . Third, it is the principled conservative position. Government’s role is to protect the rights to life, liberty, property and the pursuit of happiness.” – *Jerry Taylor, former vice president at the Cato Institute and co-founder of the Niskanen Center, 5/5/2015*
- “A carbon tax allied to pro-growth tax reform, if politicians could uncorruptly produce such a thing, might be defended on cost-benefit grounds.” – *Holman Jenkins, Jr., Columnist and Editorial Board Member, The Wall Street Journal, 6/19/2015*
- “Once they’ve cut taxes, reduced spending and trimmed regulations, Republicans can concede a simple, transparent tax on greenhouse gas emissions with every dollar above budget baselines recycled into additional, automatic tax cuts. The result would be a much smaller government that charges lower taxes on productive activity.” – *Eli Lehrer, President of R Street, Washington Post Op-Ed, 6/23/2015*
- “A carbon tax won’t be perfect. Done well, however, it could efficiently reduce the emissions that cause climate change and encourage innovation in cleaner technologies. The resulting revenue could finance tax reductions, spending priorities, or deficit reduction—policies that could offset the tax’s distributional and economic burdens, improve the environment, or otherwise lift Americans’ well-being.” – *Donald Marron, Contributor, Forbes, 6/25/2015*
- “A tax that takes the already-existing costs of emissions and imposes them on the creators of the emissions rather than on innocent bystanders seems a modest step forward, perhaps on behalf of the environment, certainly on behalf of a more equitable and growth-oriented tax structure.” – *Irwin Stelzer, Senior Fellow and Director of Economic Policy at the Hudson Institute, the Weekly Standard Blog, 7/2/2015*
- “A Carbon Tax Can Be Designed To Be Pro-Poor: ‘The fact that we understand better the burden of a carbon tax and how to offset it for low income households, should make us more likely to adopt this policy, not less so.’” – *Aparna Mathur, Resident Scholar at the American Enterprise Institute, Forbes Online, 9/29/2015*
- “The most reliable way to limit the burning of fossil fuels is to alter market signals so as to divert demand toward cleaner sources of energy or conservation. We know how to do that: Put a price on carbon-dioxide emissions via a tax, or via tradable emission allowances in a cap-and-trade system. Both incentivize the market to find the least economically harmful way to reduce emissions.” – *Greg Ip, Chief Economics Commentator, The Wall Street Journal, 11/11/2015*
- “In BP, as we and several other companies made clear in a letter to the UN in June, we believe the best mechanism to drive a shift to a lower carbon future is to put a price on carbon. That can be done via taxes or by cap-and-trade systems. Either can be effective if well-constructed.” – *Bob Dudley, Group Chief Executive of BP, Reuters, 11/11/2015*

- “Having agreed to ambitious new targets for reducing emissions of greenhouse gases in Paris, the world’s nations now need a way to hit those targets. There’s no dispute among economists on the most cost-effective way to do that: a carbon tax.” – *Greg Ip, Chief Economics Commentator, The Wall Street Journal, 12/23/2015*
- “You could take part of [the carbon tax revenue] and use it as a rebate to consumers or low-income folks,” said Scarlett. “You can keep that regressive dimension in mind and try to address it.”—*Lynn Scarlett, Former Deputy Secretary of the Interior under George W. Bush, ThinkProgress.org, 02/22/2016*
- “To maintain a healthy, balanced market with proper pricing signals, a carbon tax rather than renewables subsidy should be strongly considered. Such a policy would still shift the competitive balance towards renewables and away from fossil fuels, but it would also broaden the playing field for other types of generation technologies to compete into a new market paradigm. Indeed, the current pathway too closely resembles the “all eggs in one basket” paradigm that we are taught to avoid very early on with our own investment portfolios.”

“Perhaps now is the time to think about adopting a carbon tax because it equally recognizes the value of low-carbon generation sources, facilitates the use of market mechanisms, and directly internalizes the costs of carbon emissions without picking winners and losers.” – *Elsie Hung, Research Associate for the Center for Energy Studies at Rice University’s Baker Institute for Public Policy and Kenneth B. Medlock III, Senior Director for the Center for Energy Studies at Rice University’s Baker Institute for Public Policy, Forbes.com, 03/31/2016*

Recent Polling

- “54 percent of conservative Republicans would support a carbon tax if the money were rebated.” – *Echelon Insights survey commissioned by North Carolina businessman Jay Faison, 9/28/2014*
- Registered voters support a broad array of energy policies including requiring fossil fuel companies to pay a carbon tax and using the money to reduce other taxes such as income taxes by an equal amount (68% of all registered voters, 86% of Democrats, 66% of Independents, and 47% of Republicans). – *Yale Program on Climate Change Communication and George Mason University Center for Climate Change Communication, Spring 2016 Politics & Global Warming Report*

Corporations

- In June, the top executives for six major oil and gas companies penned a letter to the United Nations Framework Convention on Climate Change calling for a worldwide price on carbon. The companies represented were:

BP

Shell

Total

Statoil

Eni SpA

BG Group

- Many other major companies have integrated an “internal carbon fee” as part of their long-term financial planning. Companies that have reportedly adopted an internal carbon price include:

Wal-Mart Stores Inc.

Microsoft

Walt Disney World

Delphi Automotive

Chevron Corporation

ConocoPhillips

Devon Energy Corporation

Hess Corporation

Royal Dutch Shell

Total

Wells Fargo & Company

Cummins Inc.

Delta Airlines

General Electric Company

Google Inc.

Jabil Circuit Inc.

E.I. du Pont de Nemours &
Co.

Ameren Corporation

American Electric Power
Co.

CMS Energy Corporation

Duke Energy Corporation

Entergy Corporation

Integrus Energy Group

PG&E Corporation

Xcel Energy Inc.

- In November 2015, 78 CEOs urged world leaders to act on climate at the Paris climate conference. “We believe that effective climate policies have to include explicit or implicit prices on carbon achieved via market mechanisms or coherent legislative measures according to national preferences, which will trigger low-carbon investment and transform current emission patterns at a significant scale.” The companies include:

Deutsche Post DHL

HSBC

Siemens

Nestlé

Unilever

Toshiba

American Opportunity Carbon Fee Act

- “Solving climate change involves bringing people together. That's what Senator Whitehouse is doing by offering conservatives an olive limb, not branch, in pairing a carbon tax with corporate tax reduction. It's a magnanimous move by Senator Whitehouse, and it's an opportunity for conservatives to show how free enterprise can solve climate change.” – *Former Congressman Bob Inglis (R-SC), Executive Director of The Energy and Enterprise Initiative and republicEn, 6/9/2015*
- “I welcome Senator Whitehouse’s initiative in introducing legislation to address carbon emissions. Congress has a vital role to play as our country confronts the impacts of climate change, which will only worsen if we and the global community don’t get those emissions under control.” – *William K. Reilly, EPA Administrator under President George H.W. Bush, 6/10/2015*

- “Senator Whitehouse’s American Opportunity Carbon Fee Act embodies the economic principle that if you want to cause people to use less of something make it cost more. I have believed for years that if our country is to get serious about climate change we must make carbon more expensive. This bill does that and should be taken seriously by all Americans.”
– *William D. Ruckelshaus, EPA Administrator under Presidents Nixon and Reagan, 6/10/2015*
- “The challenge to prevent climate change is daunting for its scale. How can society change human behavior widely enough to stop the accumulation of atmosphere-warming gases -- without swelling the government or ruining the economy? That's why a bill introduced Wednesday in Congress is important, even if its odds of becoming law in the current Congress are slim. The legislation, sponsored by Democratic Senators Sheldon Whitehouse of Rhode Island and Brian Schatz of Hawaii, would impose a tax on almost every ton of carbon emitted in the U.S., with the revenue going back to the public through tax breaks and other rebates. . . . The crucial point is that Congress has before it legislation that would cut emissions and still protect American competitiveness. Lawmakers seeking an effective alternative to Obama's regulatory approach to climate change but worried about the growing cost of inaction should give the bill the attention and improvement it deserves.” – *Bloomberg Editorial, 6/11/2015*
- “Senator Whitehouse’s bill is a game-changer. What you want to do is to tax things you want less of, such as carbon, while reducing taxes on things you want more of, like profits and work. While the bill is not there yet, I applaud Senator Whitehouse’s efforts to reduce carbon emissions while simultaneously offsetting—through pro-growth marginal tax rate decreases—the harm done to the economy by the carbon tax.” – *Arthur Laffer, economic advisor to President Reagan, 6/15/2015*